

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2010 – HB 1930

March 5, 2014

SUMMARY OF ORIGINAL BILL: Requires court approved costs to be paid to a receiver for abatement of a public nuisance to be considered a first lien on the property and superior to any prior or subsequent liens for any state or local taxes and assessments.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Due to multiple unknown variables, a precise fiscal impact to state and local government cannot reasonably be determined

SUMMARY OF AMENDMENTS (013032, 013621): Amendment 013032 deletes all language after the enacting clause. Requires court-approved costs to be paid to a receiver for abatement of a public nuisance to be considered a first lien on the property and superior to any prior or subsequent liens for any state or local taxes and assessments provided that the property has been found by the court to be an insolvent property and such state and local taxes and assessments are uncollectible. Amendment 013621 adds a new provision requiring the proceeds of the sale to first satisfy the receiver's lien. If the proceeds are sufficient to satisfy the receiver's lien, the lien will be terminated. If the proceeds are not sufficient, the lien will remain in effect.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The provisions of the bill as amended are applicable only to properties within Davidson and Shelby counties.
- Pursuant to Tenn. Code. Ann § 13-6-102, a "receiver" can either be a municipal corporation or a nonprofit corporation that agrees to be appointed by the court for the purpose of preserving or improving the property considered a public nuisance.
- The provisions of the bill as amended would provide for a lien placed on the property for payment of a receiver to take priority over any lien placed by the state or local government; if the property has been found by the court to be insolvent and the owed taxes and assessments to be uncollectible.

SB 2010 – HB 1930

- It is unknown how many receivers will be a municipal corporation as opposed to a nonprofit corporation, the number of properties that will be classified as insolvent by the court, and the extent of any taxes and assessments declared to be uncollectible by the court.
- Due to these multiple unknown factors, a precise impact to state and local government is not quantifiable.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh